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THE CORPORATION TRUST COMPANY AND AFFILIATED COMPANIES

*The policy of The Corporation Trust Company in all matters relating to the incorporation, qualification, statutory representation, and maintenance of corporations, is to deal exclusively with members of the bar.*

**The Stutz Motor Car Co. of America, Inc.,** is denied the right to reclaim its cars shipped to a distributor in Tennessee under a conditional sales contract, because of its failure to comply with the laws of Tennessee relating to foreign corporations "doing business" in that state. This decision is discussed in full in the article beginning on page 227.

**Attention is also directed** to a California decision, reported on page 234 dealing with the right of a qualified foreign corporation to sue, when coupled in the action with its unqualified corporate agent.

Kenneth Kenyon
President

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# Foreign Corporations.

*A startling penalty for failure to qualify.*

Penalties imposed by the statutes of the various states against foreign corporations which have failed to take out licenses authorizing them to "do business therein" are frequently severe. The object of this severity appears to be to force such corporations into a position where it will be better for them to subject themselves to taxation in these states, than to incur the financial loss of inability to recover on their contracts. Getting a foreign corporation into the complete jurisdiction of the state not only increases the state's sources for public revenue, it also by requiring the appointment of an agent for service of process brings the corporation within easy reach of the state's residents, so that they may sue the corporation close at hand, without the difficulty and expense of litigation away from home and at the corporation's statutory location. Indifference to these laws by many foreign corporations justifies, in some measure, the courts in applying the severe statutory penalties. Nevertheless, losses incurred by foreign corporations frequently come as a shock. Startling cases of this nature are often noted in The Corporation Journal, so that counsel will be reminded of the danger of non-qualification by their clients.

Fines in large amounts are fixed by the statutes of many states, but not often applied. Other penalties make void the contracts of an unqualified foreign corporation, or deny it the right to recover or defend in the state courts. The penalty of denial of right to sue alone being confined to the state courts, the right still being retained to sue or defend in the United States courts, has seemed sufficiently light to induce corporations "doing business" in states imposing this form of penalty to "run the risk," rather than qualify. New York is an example of this class of states where recovery though denied in the state courts is permitted in the Federal courts. (*Richmond Cedar Works v. Buckner*, 181 Fed. 424; *David Lupton's Sons Co.* v. *Automobile Club of America*, 225 *U. S.* 489; *Johnson* v. *New York Breweries Co.*, 178 *Fed.* 513.) In states like Alabama, Missouri, and Michigan the contracts of an unqualified corporation, under certain conditions, are not valid. In these states recovery cannot be had even in the United States courts. In a Michigan case, Phillips Co. v. Everett, 262 Fed. 341, the United States Circuit Court of Appeals for the Sixth Circuit, makes the following statement: "In disposing of this question, this Court has neither the right nor the authority to ignore the laws of Michigan pertaining to this transaction. It is, of course, un-

fortunate that the appellant must lose the cost of the material and labor that is added to the fund for distribution among the general creditors of the bankrupt; but that is not the fault of the referee in bankruptcy, or of the court. The appellant could easily have protected itself from loss by complying with the laws of Michigan relating to nonresident corporations doing business within this state. It failed, neglected, or refused to do this, and the courts cannot relieve it from the consequences of its own neglect." In Alabama the same rule obtains, as it was held in the case of Thomas v. Birmingham Ry. Light & Power Co., 195 Fed. 340, that no action could be maintained in the Federal courts by a foreign corporation on "such invalid contracts." But in these latter states where recovery is denied on the contract, property rights are still maintained. In Missouri the United Shoe Machinery Company, an unlicensed foreign corporation, recovered by replevin their machines, although the contracts under which the machines were leased were held invalid. (*United Shoe Machinery Co. v. Ramlose*, 231 *Mo.* 508.) Also in the case of Farrand Co. v. Walker, 169 Mo. A. 602, the court, while finding the corporation to be "doing business" in the state holds that although the corporation could not maintain an action on the contract, it could prosecute an action in replevin or trover for the recovery of the property or of its value, regardless of its failure to procure authority to do business. In the case of In re Rosenbloom, 280 Fed. 139, a Michigan case, it was said that recovery of property in the hands of an agent is permissible even though the corporation is "doing business" in the state in violation of the statute. In such a case the corporation does not lose the right to protect or recover its property where such right does not depend on a contract made in violation of the statute but arises irrespective of any contractual right. (*See also Rex Beach Pictures Co. v. Harry I. Garson Productions*, 177 *N. W.* 254, *a Michigan case to the same effect.*)

But now comes a decision from a United States District Court in Tennessee. (*In re Meyer & Judd*, 1 *F.* (2d.) 513), where a non-qualified foreign corporation is not only denied the right to sue in a United States court, but is not permitted to recover its own property. The Stutz Motor Car Company of America, Inc., sold motor cars to its agents in Memphis under a conditional sales contract. The agents became bankrupt. The Stutz Company filed a reclamation claim for unsold cars, to which it had retained title. The referee in bankruptcy, however, denied the company the right to reclaim these cars, in an opinion confirmed in full by the United States District Court. The opinion in part says: "In the present case it is perfectly clear, so much so as to be beyond reasonable contention that it was the purpose of the petitioner to do business in the state of Tennessee, and to continue to do business in that state. The proof is undisputed that it had already had one distributing agency in Memphis, which had been discontinued, and the contract itself is convincing evidence of the fact that it was undertaking to establish another agency. For the reasons stated, this court is of opinion that petitioner had no right to maintain the present petition in reclamation." In answer to the contention that

the statute relating to foreign corporations made no reference to United States courts and did not prohibit foreign corporations from redressing wrongs in such courts, the referee says: "This position is untenable, for the reason that in decisions too numerous to mention the *nisi prius* or appellate courts of the United States have repeatedly said that the statutes of the various states, when not repugnant to the federal constitution or laws, will be enforced by the courts of the United States."

The penalty inflicted in this case is unusually severe, for while the courts are uniform in denying the right to recover on the contract, they have contented themselves with this, and have allowed the foreign corporation to recover the property involved. In the present case, however, even the right of recovery of property is denied the unqualified foreign corporation.

# Domestic Corporations

**Georgia.**

**Rights of Stockholders on Dissolution of Corporation.** In an action by the only stockholders of a private corporation previously dissolved according to law, it was shown that the corporation was the owner, in possession, at the time of dissolution of a note given by another company upon which the two individuals sued in this action had indorsed a guaranty of payment, and of two gold bonds issued and guaranteed by the same parties. This action is brought by the stockholders upon the theory that since all the debts of the corporation had been paid prior to its dissolution that they are now the owners of both the legal and equitable title. In answering the contention that the action could not be maintained, the Court of Appeals of Georgia, says: "Upon the dissolution of a corporation, assets including choses in action belong to the stockholders as tenants or owners in common, and are subject to their control, if all debts have been paid, and no receiver has been appointed. In such a case, where all the stockholders are in unison as to the disposition of such assets, there is no necessity for the appointment of a receiver. They succeed to the legal title thereto, and an action by all of them upon choses in action which belonged to the corporation at the time of its dissolution is maintainable at law in their own names. Where the facts appear as indicated in this paragraph, the appointment of a receiver will not be presumed." Stone et al. v. Edwards et al., 124 S. E. 54. Davis & Son and B. F. Davis, all of Toccoa, and Thad. L. Bynum, of Clayton, for plaintiffs in error. Geo. L. Goode, or Carnesville, Charters, Wheeler & Lilly, of Gainesville, and Fermor Barrett, of Toccoa, for defendants in error.

**Iowa.**

**Validity of Voting Trust Agreement Cannot be Questioned by Third Person.** The Supreme Court of Iowa, in a recent decision, holds that

the validity of a voting trust agreement between the depositor and his trustees cannot be questioned by a third person, and further that since the legal title was and is in the trustees, they cannot be divested of their legal title or the validity of the trust agreement be determined when the trustees are not in court. The Court further held that the equitable interest in stock deposited under a voting trust agreement could not be reached by execution and that the depositor had the right to make an assignment of such interest to a third person. The instant case involved a controversy between the receiver and an intervener in a receivership case, and had to do with the levy by the receiver on certain shares of corporate stock deposited under a voting trust agreement, the trustee's certificates having been subsequently sold by the depositor to the intervener. The Court in reaching its conclusions makes the following comment on two of the leading cases involving the validity of voting trust agreements: "The cases are not in harmony on the question as to whether such an agreement is illegal. Some hold that, whether there is a statute on the subject or not, such agreement is invalid because against public policy and because it deprives the owner of the stock the right and duty to vote it. Others hold that in the absence of a statute it is not invalid. In the latter class in Venner v. City Railway, 258 Ill. 523, 101 N. E. 949. In the first class is Sheppard v. Rockingham Power Co., 150 N. C. 776, 64 S. E. 894. That case is cited in 14 C. J. 664, to the proposition that the assignability of the shares is not affected by the fact that they are held under an illegal voting trust. The Sheppard case was an action to restrain the trustees from voting the stock. The plaintiff was not a party to the trust agreement, but was a purchaser of shares of stock thus pooled. It was held that, even so, he was entitled to an injunction." In re Selway Steel Post & Fence Co.'s Receivership. Johnson v. Johnson (Thompson & Co., Garnishee, Thompson, Intervener), 200 N. W. 621. Howard L. Bump and James C. Hume, both of Des Moines, for appellant. Casper Schenk, of Des Moines, for appellees John A. Thompson and Thompson & Co. Burnstedt & Hemingway, of Webster City, for appellee John H. Johnson.

**Ohio**

**Vote by Proxy Held Binding on Stockholder as His Own Vote.** The United States Circuit Court of Appeals for the Sixth Circuit (Ohio) holds in a recent decision that a vote by proxy is as binding upon the stockholder as his own vote, unless it be shown that such vote was cast in furtherance of a fraudulent conspiracy or collusion between the person holding the proxy and the interested directors. In the insant case, attacking the validity of a chattel mortgage, it appeared that at the annual meeting of the stockholders the execution of the mortgage was ratified without a dissenting vote, but that all of the stockholders with the exception of two, were represented by proxies. The Court further says that the person or persons holding proxies of stockholders have the right and authority to vote upon any matter that might properly

come before the meeting that the stockholder could have voted upon if personally present and that it would be wholly unfair and inequitable to permit a stockholder at a late date, to repudiate the vote cast by his proxy, selected by himself and authorized in writing to represent him at the annual meeting. If the stockholder was not then advised as to what transpired at the meeting, he could, if interested, have secured information by requesting his proxy to report to him. McClean v. Bradley et al., 299 Fed. 379. Arthur P. Greeley, of Washington, D. C., Erwin G. Guthery, of Cleveland, (Elijah N. Zoline, of New York City, Gilbert H. Baker, of Pen Yan, N. Y., and James Hamilton Lewis, of Chicago, Ill., on the brief), for appellants. S. H. Tolles, W. B. Cockley, and John F. Wilson, all of Cleveland, (A. A. Stearns and J. G. Fogg, both of Cleveland, on the brief), for appellees.

**Pennsylvania.**

**Preferred Stockholders Entitled to Par Value of Shares upon Merger of Corporation with Other Companies.** This action was commenced by preferred stockholders of a corporation to enjoin its merger with other companies, and failing in that, to obtain the par value of their stock, claiming that, as to them the merger worked a dissolution of the company and by virtue of a provision in the certificates which provided that in case of dissolution the preferred stock should be redeemed at its par value, they were entitled to the par value of their stock ($100 per share with accumulated dividends. It was contended, however, on the part of the corporation that the merger did not work a dissolution of the company and that the preferred stockholders were only entitled, under the Merger Act, to $20 per share, the then market value of the stock, but assuming the consolidation was in effect a dissolution then the value should be fixed on the basis of a proportionate distribution of net assets, or approximately $26.40 per share. The Supreme Court of Pennsylvania, however, held that the merger of the corporation with other companies worked a dissolution so far as the preferred stockholders were concerned, and they, therefore were entitled to receive payment according to the terms of their contract out of the assets of the corporation, which the Court found were ample for the payment of the par value. In a companion case (124 Atl. 307), the Court further held that the preferred stockholders were entitled to the payment of accumulated dividends on their shares up to the time of the merger. Petry et al. v. Harwood Electric Co., 124 Atl. 302. Wm. Jay Turner and George Wharton Pepper, both of Philadelphia, for appellant. Robert C. Walker, and Owen J. Roberts, (of Roberts & Montgomery), both of Philadelphia, for appellees.

**Texas.**

**Stock May Be Pledged to Secure Payment on Machinery When Both Are of Equal Value.** In an action against the Central Lumber Company to recover a certain amount as the agreed purchase price of

# What You Need the F

### *In the Sale or Exchange of Property*

—To see that you overlook no allowances or deductions permitted by the law or Regulations in fixing basic cost; to review all, and especially the latest, rulings on what items may be considered "capital expenditures" in determining basic cost; to see if, under the law as the Treasury Department is administering it, taxes could be saved by hurrying the sale or exchange, or if it would be better from a tax standpoint to delay the transaction; to see that by the terms of sale or exchange you are not inadvertently incurring a liability for Gift Tax; to see when it would be of advantage to apply the capital net gain 12½% method; to see that the terms of the sale are such as will not result in a greater amount of tax than would result from other possible terms; to see, in case of exchange, what facts must be established at time of exchange to make the transaction one involving no loss or gain for tax purposes, and what the Treasury Department accepts as establishing those facts; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

### *In the Purchase of Property*

—To measure possible applicability of the "cost to transferor" provisions of the Revenue law; to see what records are necessary to establish the correct cost for future tax purposes, and to establish the basis for future depreciation and depletion allowances; to determine the extent to which allocation of cost to the several properties or groups of properties is necessary; if the purchase is not connected with the taxpayer's trade or business but is nevertheless entered into for profit, to see what records are needed as evidence of that fact; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

### *In Organization or Reorganization of a Corporation*

—To determine the most economical method, for Stamp Tax purposes, of issuing and transferring the corporation's stock; to see, in the case of reorganization, that it is effected tax free when possible; to see that the plan of organization is such as will result in the least possible tax burden to all concerned; to see what is necessary at the outset to permit the corporation to establish the correct basis for determination of gain or loss on any future sale of its properties; if a holding company, to see that the charter complies with the requirements for exemption from Capital Stock Tax; to see what is construed by the latest Regulations or rulings as evidence that a corporation is being formed or used to prevent the imposition of surtaxes on its stockholders, so that no danger may be incurred of the 50% penalty tax on the corporation; to see that the method adopted for the original stock issue does not unintentionally create a liability for Gift Tax; and to observe all other precautions against incurring liability for excessive or unnecessary taxation.

### *In Taking Action as a Fiduciary*

—To see what deductions are available; to see what income is taxable to the fiduciary and what

a planer and other machinery alleged to have been sold and delivered to the company and to foreclose a lien on ten shares of the capital stock of the company which it was agreed should be put up as collateral security to secure the payment for the machinery when due, it was contended that the lumber company, being a private corporation, could not issue and put up as collateral security any of its capital stock, in view of the constitution and statute providing that stock shall not be issued except for money paid, labor done or property actually received. The Court of Civil Appeals of Texas in upholding the right of the corporation to pledge the stock, says: "While, however, a corporation according to the weight of authority, may not validly pledge as collateral security its unissued stock or bonds to secure the payment of an antecedent debt of the corporation, in the face of such constitutional and statutory provisions as we have on the subject, still it does not follow that the pledge by the Central Lumber Company of its capital stock in this instance was prohibited by either the provision of the constitution or the statutory provision, because it is very clear that the pledge of the stock in this instance was not to secure an antecedent debt of the corporation. The pledge was made in keeping with the agreement of the parties at the time of the sale and delivery by the appellee of his property to the corporation, and there is no question but what the value of appellee's property was fully equal to that of the corporations stock. There can be no question that the Central Lumber Company would have had authority to sell these shares of stock in payment for the appellee's property, and, if so, the conclusion cannot be escaped that it had the right to pledge this stock for the same property, provided the property was in value equal to that of the stock." Central Lumber Co. et al. v. Fall, 264 S. W. 513. Hill & Glover, of Houston, for appellants. Meek & Kahn and J. Meek Hawkins, all of Houston, for appellee.

# Foreign Corporations

**California**

**Qualified Foreign Corporation May Maintain Action Although Joined With Its Unqualified Corporate Agent.** In an appeal by the Republic Truck Sales Corporation, a corporation organized under the laws of Delaware and the Republic Motor Truck Company, Inc., existing under the laws of New Jersey, from an order discharging a writ of attachment theretofore procured by them, it was contended that the Motor Truck company was an unqualified foreign corporation, "doing business" in California and therefore not entitled to maintain an action in the courts of the state, that the Truck Sales corporation and the Motor Truck company were joint plaintiffs suing upon a joint obligation and that the incapacity of the Motor Truck company was fatal to the right of either of the corporations to maintain the action, or to enforce a writ of attachment therein. The Supreme Court of

California, however, found that the actual relation of the corporations to each other and to the obligation sued upon, was that of principal and agent; the qualified corporation being the undisputed principal and the disqualified corporation being merely its agent, and hence not a necessary party to the action at all, except as the defendant, having dealt with the agent as the principal, might be entitled to charge whatever counterclaims or cross-demands he might have as to the agent against the real principal in the transactions. The Court further said that since it was admitted that the Sales corporation was the undisclosed principal in one contract and the only party appearing to be beneficially interested in other transactions, it follows that there was nothing before the trial court upon which to base a ruling that the corporations were joint plaintiffs or that the writ of attachment was wrongly issued and should be quashed for that reason. Republic Truck Sales Corporation et al. v. Peak et al., 229 Pac. 331. Preston & Duncan and Frank Hall, all of San Francisco, for appellants. Gavin McNab and Nat Schmulowitz, both of San Francisco, for respondents.

**Canada.**

**Dominion Company Not Required to Obtain Certificate to do Business in Order to Sell Shares.** In an action based on notes given in payment for shares of stock, it appeared that the notes were given in Saskatchewan for the purchase price of shares of a dominion company whose head office was in Manitoba. The subscription was solicited and the notes obtained in Saskatchewan by an agent of the company in the course of a stock selling campaign. They were forwarded by the agent to the company's head office and the application was there accepted and the shares allotted. The company had not obtained a certificate to do business in Saskatchewan. The Supreme Court of Canada, in a decision affirming the Saskatchewan Court of Appeals, holds that the Sale of Shares Act, insofar as it would apply to prohibit a dominion company from selling its shares in Saskatchewan without having first qualified as required by the Act, is *ultra vires* of the Provincial Legislature. But the Court further held that apart from the question of the validity of the Act as applied to a dominion company, there was an "attempt to sell" in Saskatchewan shares of the company in violation of section 4 of the Act; and the provisions of the Act (were they not held constitutionally invalid as against the company) could be invoked in answer to an action in Saskatchewan on the notes. This decision would seem to indicate that a corporation, other than a dominion company, must qualify in order to sell its stock. Ruthenian Farmers' Elevator Company v. Lukey et al., I Western Weekly Reports 577. A. Blackwood, for defendant, appellant. J. A. Cross, K. C. of Regina, for Attorney General for Saskatchewan, intervenant. E. Bayley, K. C., of Toronto, for Attorney General for Ontario, intervenant. F. Heap, of Winnipeg, and G. F. MacDonnell, of Ottawa, for plaintiff, respondent.

**Georgia**

**Shipments to Local Distributors on Bills of Lading not "Doing Business" Because of Employment of District Superintendent.** The Nordyke & Marmon Co., an Indiana corporation, shipped automobiles to local distributors in Georgia on notify bills of lading with drafts attached. The company also employed a district superintendent, whose duty it was to visit the different local agencies in his territory and aid them in various ways. In an action involving the service of process on the district superintendent, the Supreme Court of Georgia, makes the following statement, setting forth the holding and facts: "A foreign corporation manufacturing automobiles outside of this state, and selling them to distributors within this state by means of closed bills of lading with drafts attached, with directions to notify such distributor, and sent to a bank in this state for collection, when the distributor pays such drafts and thus acquires title to the cars so bought from the manufacturer, is not 'doing business' in this state, so as to subject it to process of the courts of this state, by the employment of a district superintendent whose territory embraces this state, and whose duties are to visit distributors and dealers so buying automobiles from his principal, to assist such distributors and dealers in every way possible in selling the automobiles so bought, to keep up with the business done by such distributors and dealers, and make reports thereof to the company at its home office, to see that dealers and distributors render proper service to users of such cars and to select such dealers and distributors, subject to the approval of the company, and execute in the name of the company tentative contracts with distributors and dealers to be sent to the home office of the company to be approved by it and countersigned by one of its executive officers; such district superintendent making no sales of cars for his company in this state and making no contracts with its distributors and dealers except in the manner above stated." Southeastern Distributing Co. v. Nordyke & Marmon Co., 125 S. E. 171. Smith, Hammond & Smith, of Atlanta, for plaintiff in error. T. B. Higdon, of Atlanta, and Fesler, Elam & Young, of Indianapolis, Ind., for defendant in error.

# Taxation

**Minnesota**

**Foreign Corporation Not Required to Pay Further Fee on Increase of Proportion of Original Capital in State.** The Tri-State Telephone & Telegraph Company, a foreign corporation authorized to do business in Minnesota, increased its capital stock by $5,000,000 and tendered the fee required for such an increase to the Secretary of State. The Secretary, however, refused to issue the usual certificate upon the ground that the amount tendered was insufficient. It appeared that when the corporation was admitted to do business in the state, it had a capital stock of $6,000,000, of which only $50,000 was then represented by its property and business in the state and was the amount upon which it was required to, and did, pay a fee at that time. The remainder of

its original capital is now employed in its operations in the state, and the question presented is whether the statute requires it to pay a fee on such remainder. The Supreme Court of Minnesota in passing on this point holds that the statute does not require that a foreign corporation, which has been authorized to do business in the state and which has paid a fee on the proportion of its capital then employed in the state, shall pay a further fee upon increasing the proportion of the original capital so employed, and that in the instant case the corporation is only required to pay a fee on the new increase, that is, on $5,000,000.—Tri-State Telephone & Telegraph Co. v. Holm, 200 N. W. 296. C. L. Hilton, Atty. Gen., and Rollin L. Smith, Asst. Atty. Gen., for appellant. C. B. Randall, of St. Paul for respondent.

# Some Important Matters for January and February

This calendar does not purport to cover general taxes or reports to other than state officials, nor those we have been officially advised are not required to be filed. *The State Report and Tax Service* maintained by *The Corporation Trust Company System* sends timely notice to attorneys for subscribing corporations of report and tax matters requiring attention from time to time, furnishing information regarding forms, practices and rulings.

ALASKA—Annual Report due on or before March 1—Foreign Corporations.

ALABAMA—Annual Franchise Tax Statement due between January 1 and March 15—Domestic and Foreign Corporations.

ARIZONA—Annual Statement of Mining Companies due between January 1 and April 1—Domestic and Foreign Corporations engaged in mining of any kind.

CALIFORNIA—Annual License Tax due between January 1 and first Monday of February—Domestic and Foreign Corporations. Capital Stock Affidavit due between January 1 and first Monday of February—Foreign Corporations.

COLORADO—Annual Report due within 60 days after January 1—Domestic and Foreign Corporations.

CONNECTICUT—Annual Report on or before February 15th—Domestic and Foreign Corporations.

DOMINION OF CANADA—Annual Income Tax Return due between January 1st and April 30th—Domestic and Foreign Corporations.

ILLINOIS—Annual Report due between February 1st and March 1st—Domestic and Foreign Corporations.

INDIANA—Annual Capital Stock Report due on or before March 1st—Foreign Corporations engaged in manufacturing.

Annual Report due during January—Foreign Corporations.

KENTUCKY—Annual Report due on or before February 1st—Domestic and Foreign Corporations.

LOUISIANA—Capital Stock Statement and Tax due on or before March 1st—Foreign Corporations.

MAINE—Annual License Fee due on or before March 1st—Foreign Corporations.

MASSACHUSETTS—Annual Report of information for income tax due between January 1st and March 1st—Domestic and Foreign Corporations.

MISSOURI—Annual Return of Net Income due between January 1st and March 1st—Domestic and Foreign Corporations.

Annual Capital Stock Report, and Tax due on or before March 1st—Domestic and Foreign Corporations.

MONTANA—Annual Report due between January 1st and March 1st—Foreign Corporations.

Annual Return of Net Income due between January 1st and March 1st—Domestic and Foreign Corporations.

NEW HAMPSHIRE—Franchise Tax due between January 1st and March 1st—Domestic Corporations.

NEW YORK—Capital Stock Report, Real Estate Holding Corporations, Transportation and Transmission Companies, due between January 1st and February 15th—Domestic and Foreign Business Corporations. Form 42 C. T. Section 182 of the Tax Law.

PENNSYLVANIA—Capital Stock Report and Corporate Loan Report due between January 1st and February 28th—Domestic and Foreign Corporations.

Bonus Report due between January 1st and February 28th—Foreign Corporations.

RHODE ISLAND—Corporation Tax Return due on or before March 1st—Domestic and Foreign Corporations.

Annual Report due during February—Domestic and Foreign Corporations.

SOUTH CAROLINA—Annual License Tax Report due during month of February—Domestic and Foreign Corporations.

Annual Statement due on or before January 31st—Foreign Corporations.

SOUTH DAKOTA—Annual Capital Stock Report due between January 1st and March 1st—Foreign Corporations.

VERMONT—Annual Tax Return due on or before March 1st—Domestic and Foreign Corporations.

Annual License Tax payable on or before March 1st—Domestic and Foreign Corporations.

Annual Report due on or before March 1st—Domestic Corporations.

VIRGINIA—Annual Registration Fee due on or before March 1st—Domestic and Foreign Corporations.

Annual Franchise Tax due on or before March 1st—Domestic Corporations.

WISCONSIN—Income Tax Return due on or before March 15th—Domestic and Foreign Corporations.

Income Tax due on or before January 31st—Domestic and Foreign Corporations.

# Foreign Corporations

The Corporation Trust Company has available for counsel at all times not only the foreign corporation statutes as last amended of every state, but also the leading court decisions interpreting their application to various kinds of business. We believe that there is no other record of this type of decision in existence so complete as ours. More than that, this company, through its own representatives on the spot, and because it is representing corporations in every jurisdiction, has what is almost impossible to procure in any other way—a knowledge of the local practice under each of the various statutes. If, for example, as actually has been the case, certain clauses in any state law relating to foreign corporations for one reason or another are not enforced, or have been held unconstitutional, we are able so to inform counsel at once, where otherwise he would naturally follow the statute as he found it. Our service in this respect enabled one attorney to save his client $8,000 in qualifying in one state alone.

All this information and experience is put at counsel's service, first to aid him in determining whether or not qualification is necessary for his own client in any particular state or states, and, if so, what the cost of qualification and annual state taxes will be; second, to assist him in drafting all required papers for qualification in any jurisdiction; and third, in attending for him to the filing of all necessary papers, furnishing the office or agent for service of process, and keeping the attorney informed at all times of state reports to be filed and state taxes to be paid, and other information important to him in protecting his client's interests.

No other organization can approach the quality and breadth of service rendered to attorneys in foreign corporation matters by The Corporation Trust Company.

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Corporations represented in a corporate capacity by The Corporation Trust Company, in Delaware or elsewhere, find that to have this company acting also as Transfer Agent or Registrar, is highly efficient and convenient. Our familiarity with the company's corporate plan and history often enables us to perform the special tasks that arise in transfer work better to the satisfaction both of stockholders and the company's officers—and with much less bother to the latter—than is always possible for an institution unacquainted with corporate details. Also, the good understanding already established, through our corporate services, with the company's counsel ensures a close cooperation between counsel and Transfer Agent that is always to the company's advantage. The Corporation Trust Company offers still another advantage in that it can furnish the transfer office in Jersey City or New York, as is most convenient to the corporation.